

**2019 PREMIUM TAX INSTRUCTIONS FOR
HEALTH, MEDICAL & DENTAL INDEMNITY COMPANIES**

GENERAL INSTRUCTIONS

ANNUAL STATEMENT FILING DUE DATES:

HEALTH SERVICE CORPORATIONS	MARCH 1, 2020 (420-A:20)
HEALTH MAINTENANCE CORPORATIONS	MARCH 1, 2020 (420-B:9)
DELTA DENTAL CORPORATION	MARCH 1, 2020 (420-F:9)

PREMIUM TAX RETURN DUE DATE IS MARCH 16, 2020
(See RSA 400-A:32-a Timely Mailing)

DO NOT SEND PREMIUM TAX FORM AND/OR CHECKS WITH THE ANNUAL STATEMENT PACKAGE

REMIT THE PREMIUM TAX FORM TO:

**NEW HAMPSHIRE DEPARTMENT OF INSURANCE
21 SOUTH FRUIT STREET SUITE 14
CONCORD, NEW HAMPSHIRE 03301**

PAYMENT METHODS:

ELECTRONIC FUNDS TRANSFER

Payment by EFT is required if Page 3, Line 34 of the calendar year 2019 premium tax form is \$20,000 or greater. The Department accepts electronic funds transfers via either the ACH debit method or the ACH credit method. For those companies choosing the ACH credit method, there are no notification requirements. The company is solely responsible for insuring that the funds are in the State of New Hampshire Insurance Department EFT account on the legal due date. EFT payments are not transmitted through the US mail; RSA 400-a:32a Timely Mailing cannot be applied to an EFT payment.

ACH CREDIT

There are no notification requirements for this method. If the company is switching from ACH debit to ACH credit, please notify the Department of the effective date of the switch.

ACH DEBIT

For the company to use this method, the company must first file an ACH debit authorization form with the Department. Copies of these forms are available on the Department web site. In addition, the company is responsible to provide certain withdrawal information prior to each scheduled due date.

PAYMENT BY CHECK

If Page 3, Line 34 of the calendar year 2019 premium tax form is less than \$20,000, the payment may be made by check. See above mailing address.

MAKE CHECKS PAYABLE TO: NEW HAMPSHIRE DEPARTMENT OF INSURANCE

PAY IN WHOLE DOLLARS ONLY!

RSA 400-A:32-a Timely Mailing

Tax statements and tax payments made by check postmarked after March 16, 2020, will be subject to the provisions of RSA 400-A:32-a, provisions for Timely Mailing, and, RSA 400-A:32, IV, which imposes a penalty in accordance with RSA 400-A:32 IV for filing after the due date. *Please note that a "Pitney Bowes" postal imprint does not qualify as a post office cancellation mark.*

ALIEN CORPORATIONS

For retaliatory purposes, "State of Domicile" as used in this refers to State of Entry.

LIFE AND HEALTH INSURANCE GUARANTY ASSOCIATION OF 1996

Refer to RSA 408-B, Sections 4, 9 and 13 for laws concerning the deductibility of assessments made under this law.
Please note that any assessments made under RSA 404 are not eligible credits against premium tax.

ROUNDING

The following lines on the premium tax return should be rounded to the nearest whole dollar:

Page 3, Line 37 Total Taxes Payable
Page 3, Line 38 Prepayment Due
Page 3, Line 39 Filing fees
Page 3, Line 40 Annual License fee
Page 3, Line 41 Balance Due

Line 35. The credit for calendar year 2019 estimated tax payment must be reported in whole dollars only for the amount paid. Penalties or late fees paid cannot be applied against premium tax liability.

WHAT IS TAXABLE?

Gross direct premiums including renewal premiums.
Policy fees.
Membership and other fees.
Policy dividends applied in payment for insurance (additional paid up insurance)
All other considerations for insurance received during the calendar year.

Medicare Advantage Plans

Most Medicare beneficiaries may choose to receive benefits through one of the following Medicare Advantage Plans: Private insurance companies approved by Medicare to provide coverage through health maintenance organizations or Preferred Providers Organizations.

Medicare Advantage Premiums received by such organizations on behalf of Medicare qualified individuals *are not subject* to premium taxation.

Medicare Part D

Premiums for Medicare Part D coverage *are not subject* to premium tax.

Medicare supplementary policies (Medigap coverage) sold by an insurance company *are subject* to premium tax.

Medicaid Premiums *are* subject to premium tax.

ALL DEDUCTIONS FROM GROSS PREMIUMS MUST BE FULLY DOCUMENTED

DOCUMENTS REQUIRED TO BE FILED

- 1) Schedule T for calendar year 2019
- 2) New Hampshire State page for calendar year 2019
- 3) ACA Risk Adjustment transactions
- 4) Premium written reconciling transactions
- 5) Calendar Year 2018 Business Enterprise Tax Return
- 6) Documents substantiating any reduction and/or credits taken on premium tax form.

PAGE ONE INSTRUCTIONS

COMPANY NAME – enter company name

BUSINESS ADDRESS – enter *complete* company address, street, city, state, zip code.

TYPE OF COMPANY - enter MED for Medical Insurance Company

FEDERAL TAX ID NUMBER - enter the company's nine digit federal tax id number

NAIC GROUP CODE - enter the company's four digit NAIC group code

NAIC COMPANY CODE - enter the company's five digit NAIC company code

STATE OF DOMICILE - enter the two-letter abbreviation of the company's state of domicile.

PLEASE INDICATE AMOUNT OF TAX PAYMENT WITH THE CORRESPONDING METHOD OF TAX PAYMENT.

PLEASE INDICATE IF THE COMPANY HAS AMENDED ITS' BYLAWS (Yes/No)

PLEASE INDICATE IF THE COMPANY HAS AMENDED ITS' ARTICLES OF AGREEMENT (Yes/No)

Complete the sworn statement and have this statement properly notarized by a notary public.

ELECTRONIC SIGNATURES

An area has been provided on page one for electronic signatures. NH RSA 294-E provides definitive requirements for electronic signatures. Software manufacturers providing the capability for companies to file electronically must provide the capability for the capture of electronic signatures and notarization of the premium tax form.

PAGE TWO INSTRUCTIONS

RETALIATION

New Hampshire retaliates on a tax for tax and fee for fee basis.

LICENSING, FILING AND DOCUMENT FEES

Include in this section only fees and charges relating to the filing of the annual statement, licensing of the company, and other documents fees. Fees and assessments other than filing and license fees must be included in the appropriate sections below.

Line 1. License Fee

NH domestics: enter in Line 1, column 2 the appropriate license fee. Foreign companies licensed as Health Service Corporations licensed under RSA 420-A, enter \$200 in Line 1, column 2, and the respective amount charged by your domiciliary state in Line 1, column 3. Foreign companies licensed under RSA 401 or RSA 420-B, enter \$100 in Line 1, column 2, and the respective amount charged by your domiciliary state in Line 1, column 3.

OTHER TAXES, FEES AND ASSESSMENTS

Include all special and general assessments that the company's domiciliary state has the authority to levy against NH domiciled companies operating in your domestic state. Include a copy of the assessment that has been made by the domiciliary state. Complete detailed computations must be provided.

Items to be included here:

Franchise Tax	Cost Containment Fees
Corporate Tax	Financial Regulation Fees
District/Municipality Tax	State Rating Bureau Assessments
County/City/Canadian Province Tax	Actuary
Investment Tax	Attorney General Assessments
Corporate Registration Fee	Fraud Assessments
Insurance Department Maintenance	Rate Hearing Assessments
Any other assessments applicable to NH domestic companies in the company's domestic state	

Line 18 -- Insurance Department Maintenance

Compute the domestic state assessment for column 3. Place the NH Administrative Assessment paid during calendar year 2019 on line 18 in the NH basis column. Subtract the NH basis from the domestic state basis and insert the excess in column 4. **Column four should not be less than zero.**

Lines 19 to 29 – Other Taxes, Fees, and Assessments

Include any other assessments that the company's domiciliary state has the authority to levy against NH companies. The company should include a copy of the assessment as received from the assessing authority.

PAGE THREE INSTRUCTIONS

GROSS PREMIUMS WRITTEN & TAXABLE CONSIDERATIONS

Line 1.0 Enter accident and health premiums written excluding Premium Assistance Program (PAP) premium
Line 1.1 New Hampshire Premium Protection Program Gross Premium Written
Line 1.2 ACA Risk Adjustment Year 2019 Accrual
Line 1.3 ACA Risk Adjustment Year 2018 Accrual Balance
Line 1.4 ACA Risk Adjustment Year 2017 Accrual Balance
Line 1.5 Reconciling transactions (attach supporting documents)

Line 1.6 Total accident and health premiums written per schedule T, column 2, line 30. Line 1.6 must equal lines 1.0 through line 1.5.

Line 2. Enter Medicare Title XVIII premiums written per schedule T, column 3, line 30.

Line 3. Enter Medicaid Title XIX premiums written per schedule T, column 4, line 30.

Line 4. Enter Federal Employees Health Benefits Program premiums written per schedule T, column 5, line 30.

Line 5. Enter Life premiums included in Schedule T, column 6, line 30.

Line 6. Enter Annuity premiums included in Schedule T, column 6, line 30.

Line 7. Enter Property & Casualty premiums written per Schedule T, column 7, line 30.

Line 8. Enter Total premiums written per Schedule T, column 8, line 30.

Line 9. Enter Other Taxable Considerations Accident & Health.

Line 10. Enter Other Taxable Considerations Life

Line 11. Enter Other Taxable Considerations P&C.

Line 12. Total Premiums/Considerations (Sum of lines 8 through 11).

DEDUCTIONS FROM GROSS PREMIUMS

Line 13. Enter Medicare Title XVIII premiums written per schedule T, column 3, line 30.

Line 14. Enter Medicare Part D Stand Alone premiums written included in Schedule T, column 1, line 30.

Line 15. Enter Federal Employees Health Benefits Program premiums written per schedule T, column 5, line 30.

Line 16. Enter Premiums written for Political Subdivisions of the State of NH by HMO's, Health Service Corporations, and Delta Dental.

Line 17. Enter the sum of lines 13 through 16.

Line 18. Enter Annuity premiums written.

Line 19. Enter Total Deductions for Life Premiums Written (Attach Schedule).

Line 20. Enter Total Deductions for P&C Premiums Written (Attach Schedule).

Line 21. Enter Total of Lines 18 through 20.

NEW HAMPSHIRE BASIS – TAXABLE PREMIUMS WRITTEN

Lines 22 through 25. These lines summarize taxable premiums written by type of coverage. A&H premiums written are taxed at 2%. Life and P&C premiums written are taxed at 1.25%. Line 25 columns 2 and 3 is total taxable NH premiums written and total NH premium tax.

Line 22. Net taxable accident and health premiums written.

Line 23. Net taxable life premiums written.

Line 24. Net taxable P&C premiums written.

There is a minimum premium tax of \$200.

STATE OF DOMICILE BASIS

The company must complete this portion of the premium tax form as if it were a NH domiciled company filing as a foreign licensed company with its domestic state.

COMPUTATION OF BALANCE DUE

Lines 26 through 41. The majority of the lines in this section will be automatically calculated. The following discussion concerns business tax credits and estimated tax payments that the company will enter into the appropriate lines.

Line 31. BUSINESS ENTERPRISE TAX CREDIT RSA 400-A:34-a..

Deduct NH Business Enterprise Tax paid in accordance with RSA 77-E. This credit plus the credits allowed on Lines 32 and 33 cannot reduce the amount on Line 34 below \$0. Only business enterprise tax "incurred" during calendar 2018 may be deducted on this return. Any excess not deducted on this form must be applied in accordance with RSA 400-A:34-a.

Line 32. COMMUNITY DEVELOPMENT PROGRAM (RSA 162:L-10)

The credit arising from amounts contributed in accordance with the NH Community Development Finance Authority should be included on this line. Per RSA 162-L:10, III, "The credit or any unused portion thereof may be carried forward for no more than 5 succeeding years..." There is no provision for the refund of any unused portion of the credit.

Any credits applied without supporting documentation will be denied.

Line 33. LIFE AND HEALTH INSURANCE GUARANTY FUND ASSOCIATION OF 1996 (RSA 408-B:13)

20% of Class B assessments made under the Health Insurance Guaranty Assessment Act of 1996 may be included on this line. Only Class B assessments made in accordance with RSA 408-B may be included on this line. **Any credits applied without supporting documentation will be denied.**

Line 34. TOTAL PREMIUM TAXES PAYABLE.

This line represents the company's total premium tax liability for calendar year 2019. *In accordance with NH RSA 400-A:32-b., if this amount is \$20,000 or more, the company is required to pay taxes via EFT.*

Line 35. ESTIMATED PAYMENTS

The company should enter the exact amount of the estimated 2019 tax prepayment made on March 15, 2019. Late fees paid cannot be applied as a credit against the premium tax liability.

Line 37. Total Premium Taxes Payable is equal to total tax liability, line 34 less total payments and credits, line 36.

Line 38. Prepayment due March 16, 2020. Line 34, minimum \$200.00

Line 39. Filing fees from page 2, Line 6.

Line 40. License fees from page 2, Line 3.

Line 41. **BALANCE DUE (OVERPAYMENT) MARCH 16, 2020.** The sum of Lines 37 through 40. This amount is due on or before March 16, 2020.

If payment is made by check, the check should accompany the hardcopy premium tax return. If paid by EFT, the EFT must be made in accordance with instructions provided by this Department.

REFUNDS

Should the company have an overpayment on Line 41, a refund will be issued on or before June 30, 2020.

TOTAL AMOUNT PAID

Enter the total amount paid at the time of filing this return.

**ALL TAX FORMS WITH INSTRUCTIONS ARE AVAILABLE ON OUR WEB SITE:
WWW.NH.GOV/INSURANCE/**

IF YOU HAVE QUESTIONS, PLEASE EMAIL US AT THE FOLLOWING:

DONNA'S E-MAIL ADDRESS IS: DONNA.ARCAND@INS.NH.GOV
NORMA'S E-MAIL ADDRESS IS: NORMA.STALLINGS@INS.NH.GOV

THE INSURANCE DEPARTMENT'S FAX NUMBER IS: (603) 271-1406

RSA 408-B LIFE AND HEALTH INSURANCE GUARANTY ASSOCIATION OF 1996
EFFECTIVE DATE: JANUARY 1, 1996

RSA 408-B:4 DEFINITIONS

VII: "Insolvent insurer" means a member insurer which on or after January 1, 1996, is placed under an order of liquidation by a court of competent jurisdiction with a finding of insolvency.

RSA 408-B:9 ASSESSMENTS

II (b): Class B assessments shall be made to the extent necessary to carry out the powers and duties of the association under RSA 408-B:8 with regard to an impaired or an insolvent insurer.

RSA 408-B:13 ASSESSMENT TAX CREDIT

I. A member insurer may offset against its tax liability under RSA 400-A any assessment described in RSA 408-B:9, II(b) for the **life insurance and annuity account, and for the health account for guaranteeing the performance of contractual obligations of an impaired or insolvent insurer in regard to disability income coverages only**, to the extent of 20 percent of the amount of the assessment for each of the 5 calendar years following the year in which the assessment was paid. If a member insurer ceases doing business, all unaccredited assessments described above may be credited against its tax liability under RSA 400-A for the year it ceases doing business.

II. Any sums acquired by refund from the association by member insurers, as stated in RSA 408-B:9, VI, and which were previously offset against taxes as described in paragraph I, shall be paid by these insurers to the state of New Hampshire in the manner required by the commissioner. The association shall notify the commissioner that refunds have been made.

This law provides an effective date of January 1, 1996. Only those Class B assessments for insolvencies occurring on or after January 1, 1996 are affected by this law.

For insolvencies occurring on or after January 1, 1996, 20% of the assessment may be credited against premium tax beginning the calendar year following the year in which the assessment was paid. The earliest credit will be allowed as an offset against premium tax for calendar year 1997.

ANY ASSESSMENTS MADE UNDER RSA 404-D ARE NOT ELIGIBLE CREDITS AGAINST PREMIUM TAX.

INSURANCE LAW CHANGES FOR CALENDAR YEAR 2020

Chapter 179 of the laws of 2019

RE: CHANGES IN RSA 400-A:32 IV. effective January 1, 2020

179:1 Insurance; Premium Tax. Amend RSA 400-A:32, IV. to read as follows:

IV. Any insurer failing to file the report required by RSA 400-A:31 or failing to remit the proper tax within the time for filing shall pay a penalty contingent upon the number of days that have passed since the due date. For late payments received 1-30 days after the due date, the penalty fee shall be 3 percent of the amount of the tax due. For late payments received 31-60 days after the due date, the penalty fee shall be 6 percent of the amount of tax due. For late payments received more than 60 days after the due date, the penalty fee shall be 12 percent of the amount of tax due. If the tax or the estimated tax is not paid when due, the commissioner may suspend or revoke the insurer's certificate of authority.

INSURANCE LAW CHANGES FOR CALENDAR YEAR 2010

Chapter 1 of the laws of 2010 Special Session HB 1-FN-A

RE: CHANGES IN RSA 400-A:32 I. (4) Deletes the reduction of the insurance premium tax to one percent which would take effect January 1, 2011 for all lines of business written pursuant to certain insurance laws

Chapter 13 of the laws of 2010

RE: CHANGES IN RSA 400-A:32 I.

13:3 Insurance; Premium Tax. Amend RSA 400-A:32, I(a) to read as follows:

I.(a) Every insurer shall pay to the insurance commissioner a tax upon such net premiums, for lines of business written, as set forth in the report filed pursuant to RSA 400-A:31, I, less estimated payments made in accordance with RSA 400-A:32, II, as follows:

(1) Effective July 1, 2007, a tax of 1.75 percent for all lines of business written pursuant to RSA 401:1, I-III and V-VIII, ***RSA 416-A:2***, and RSA 401:1-a, I and II;

(2) Effective January 1, 2009, a tax of 1.50 percent for all lines of business written pursuant to RSA 401:1, I-III and V-VIII, ***RSA 416-A:2***, and RSA 401:1-a, I and II;

(3) Effective January 1, 2010, a tax of 1.25 percent for all lines of business written pursuant to RSA 401:1, I-III and V-VIII, ***RSA 416-A:2***, and RSA 401:1-a, I and II; and

(4) REPEALED

(5) A tax of 2 percent for all lines of business written pursuant to RSA 401:1, IV, including, but not limited to, insurers licensed pursuant to RSA 420-A, RSA 420-B, and RSA 420-F.

INSURANCE LAW CHANGES FOR CALENDAR YEAR 2007

Business Enterprise Tax Credit

Chapter 255 of the laws of 2007 makes changes in the deductibility of the NH Business Enterprise Tax. The law was amended to provide that "...The taxes paid pursuant to RSA 77-E by a member of a unitary business within the meaning of RSA 77-A:1; XIV shall be allowed as a credit against any other individual member's liability under this chapter, ***provided that such other member is also subject to the tax imposed by this chapter....***"

This means that the Business Enterprise Tax generated by non-insurance company members of a unitary group will not be allowed as a deduction against the premium tax paid by insurance company members of a unitary group.

Business Enterprise Tax Forms required for a unitary business:

Members of a unitary business must provide the following forms:

Form BT-SUMMARY

Form BET-WE

Form BET -80-WE

Form NH-1120-WE

Such other forms as are necessary to assess the deductibility of the company's Business Enterprise Tax. Unitary groups are required to send the complete Business Enterprise Tax return for the group.

Business Enterprise Tax Forms required for a non-unitary business:

Companies not required to file on a combined basis with the Department of Revenue must provide the following forms:

Form BT-SUMMARY

Form BET

Form NH-1120

Such other forms as are necessary to assess the deductibility of the company's Business Enterprise Tax.

The company's filing should be sufficiently complete so as to enable the NH Insurance Department to make a definitive assessment of the propriety of any NH Business Enterprise Tax amounts claimed as a credit against the premium tax liability.

INSURANCE LAW CHANGES FOR CALENDAR YEAR 2006

RE: CHANGES IN RSA 400-A:32 I and II

METHOD AND DUE DATE FOR PAYMENT OF ESTIMATED PREMIUM TAXES

PREMIUM TAX RATES FOR CERTAIN LINES OF BUSINESS

Chapter 277 of the laws of 2006 changes the method of remitting estimated premium taxes and reduces the premium tax rate for certain lines of business.

- The method for the payment of estimated premium tax has been changed from a quarterly payment system to a 100% prepayment system effective for the calendar year ending December 31, 2007. The law provides that for calendar years ending December 31, 2007, and thereafter, every authorized insurer required to pay a tax in accordance with RSA 400-A:32 I, shall make payment in full of an amount equal to 100 percent of the previous calendar year's premium taxes on March 15th. In other words, the prepayment due on March 15, 2007, will be equal to 100 percent of the premium tax due for calendar year 2006. There will be no estimated payments for June, September, and December for calendar year 2007 and thereafter.

INSURANCE LAW CHANGES FOR CALENDAR YEAR 2005

- ***Payment by Electronic Funds Transfer (EFT)***

RSA 400-A:32-b Requires payment by electronic funds transfers in certain circumstances.

Chapter 248 of the Laws of 2005 added the following provisions to the Insurance Code effective January 1, 2006 and following:

"Insurers shall remit taxes by electronic funds transfer according to the following schedule:

- I. When the insurer, or group of insurers, had a tax liability in the prior tax year of **\$40,000** or more, effective January 1, 2006.
- II. When the insurer, or group of insurers, had a tax liability in the prior tax year of **\$30,000** or more, effective January 1, 2007.
- III. When the insurer, or group of insurers, had a tax liability in the prior tax year of **\$20,000** or more, effective January 1, 2008."

Those companies having a tax liability for calendar year 2007 (Page 3, Line 46 of the 2007 life premium tax form) of \$20,000 or greater must remit taxes via EFT. To be considered timely, an EFT tax payment must be deposited into the Insurance Department's EFT bank account on or before the payment due date.

For purposes of this law, "group" is defined as all companies included within the NAIC Group Code.

- ***RSA 400-A:32-a Timely mailing provision***

Claims for timely mailing must be supported by "...the post office cancellation mark stamped upon the envelope or other appropriate wrapper..." If the payment is not received or the cancellation mark is "...illegible, erroneous or omitted..." mail "...shall be deemed filed...if the sender establishes by competent evidence that the report...or other document was deposited in the United States mail on or before the due date for filing..."

- ***A Pitney Bowes postal imprint does not qualify as a "post office cancellation imprint".***
- ***Payment of Annual Statement Filing Fee***

RSA 400-A:36, II provides that “...*The insurer shall pay the fee for filing its annual statement* as prescribed by RSA 400-A:29 at the time of filing or *with the premium tax return, but no later than March 15th.*” It is requested that companies continue to pay the filing fee with the filing of the premium tax return.

- ***Late Payment Penalty***

RSA 400-A:32 IV “Any insurer failing to file the report required by RSA 400-A:31 or failing to remit the proper tax within the time for filing shall pay a penalty equal to 10 percent on the amount of the tax due.”

Late payment fees shall be assessed. Please note that the word “intentionally” has been removed from the law.

NOTE: Penalty percentage has been amended effective January 1, 2020.